

Message Text

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46

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 ISO-00 JUSE-00 COME-00 L-03 /029 W

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R 041447Z JUN 75

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 1996

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMEMBASSY THE HAGUE

AMCONSUL JOHANNESBURG

AMEMBASSY LUXEMBOURG

C O N F I D E N T I A L PRETORIA 2026

CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: GDS

TAGS: ETRD, US, SF, NL, LU, EINV

SUBJ: ANTI TRUST: INTERNATIONAL DIAMOND TRADE

REF: A) CAPE TOWN 615, (B) THE HAGUE 2625, (C) LUXEMBOURG 380,
(D) STATE 124190, (E) STATE 53446, (F) PRETORIA 1234,
(G) STATE 119239

1. REFS (A) AND (C) SATISFY US THAT BOART INTERNATIONAL S.A.H. IS OWNED BY BOARD AND HARD METAL PRODUCTS S.A. LTD. REF (G) INDICATES JUSTICE ALSO SATISFIED ON THIS POINT. WE THEREFORE TAKE POINT AS SETTLED. INFORMATION GIVEN US TO CONTRARY (I.E. THAT BOARD INTERNATIONAL OWNS BOARD AND HARD) WAS TRANSMITTED TO US THROUGH A THIRD PARTY, WHO MAY HAVE GOTTEN RELATIONSHIP REVERSED. WE WILL GO BACK TO SOURCE (WHO NOT AVAILABLE FOR A WEEK OR TWO) TO CONFIRM THAT FACTS ARE AS REPORTED BY CAPE TOWN AND LUXEMBOURG.

2. WE WILL ALSO ASK SOURCE TO CONFIRM MORE CRUCIAL RELATIONSHIP BETWEEN BOARD INTERNATIONAL S.A.H. AND LONGYEAR INTERNATIONAL, B.V. WE STILL CONSIDER SOURCE FULLY RELIABLE AND BELIEVE THAT IF HE REITERATES THAT BOARD INTERNATIONAL OWNS LONGYEAR WE CAN TAKE IT AS FACT.

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EM WE HAVE TALKED WITH R. WELMAN, DEPUTY REGISTRAR OF COMPANIES (REGISTRAR IS ON LEAVE) ABOUT INFORMATION AVAILABLE FROM HIS OFFICE. WE DID NOT MENTION DIAMOND TRADE OR ANY SPECIFIC COMPANIES.

4. WELMAN SAYS THAT COMPANIES ARE NOT REQUIRED TO DISCLOSE THEIR PORTFOLIO INVESTMENTS. ASSETS MUST BE DISCLOSED IN AGGREGATE IN ANNUAL REPORT AND METHOD OR METHODS USED TO VALUE ASSETS MUST BE DESCRIBED BUT INDIVIDUAL ASSETS NEED NOT BE (BUT MAY BE) LISTED. HE SAYS THAT HIS FILES REVEAL NO MORE ABOUT ASSETS THAN IS REVEALED IN ANNUAL REPORTS. WE WILL NEVERTHELESS CONSULT FILES OF THE FIVE FIRMS MENTIONED REF (G) AFTER STUDYING THEIR ANNUAL REPORTS, BUT WITH THE NEAR CONVICTION THAT THEY WILL SHOW NO LINK TO LONGYEAR. (REQUEST CONGEN JOHANNESBURG OBTAIN REPORTS AND FORWARD THEM TO EMBASSY ASAP.) JUSTICE SHOULD BEAR IN MIND THAT BY ASKING FOR FILES ON THE FIVE FIRMS WE WILL DEMONSTRATE AN EMBASSY INTEREST THUS FAR PROBABLY NOT NOTICED BY THE SOUTH AFRICAN AUTHORITIES.

5. WE ASKED WELMAN IF THERE WAS ANY SOURCE OF INFORMATION BESIDES THE REGISTRAR, THE BANKS, THE ANNUAL REPORTS AND THE COMPANIES THEMSELVES. HE SAID THAT THE ONLY THING HE COULD THINK OF WAS THE STOCK MARKET COMMITTEE. THIS IS A PRIVATE BODY AND IS NOT REQUIRED BY LAW TO FURNISH INFORMATION BUT IS THE REPOSITORY OF A GREAT DEAL OF INFORMATION ON LISTED COMPANIES. WE WILL EXPLORE THIS POSSIBILITY BUT DOUBT THAT WE WILL BE GIVEN INFORMATION THAT THE COMPANIES APPARENTLY WANT TO HIDE, I.E. A LINK WITH LONGYEAR.

6. WE FORWARDED THE 1974 ANNUAL REPORT OF DEBEERS CONSOLIDATED MINES LTD. TO THE ANTI-TRUST DIVISION OF DOJ ON MAY 5. REPORT LISTS 26 "MAJOR" SUBSIDIARIES AND 52 "MATERIAL SHAREHOLDINGS" BUT INCLUDES NO MENTION OF BOART AND HARD METAL PRODUCTS SA LTD, H.D. DEVELOPMENT LTD., BOART INTERNATIONAL S.A.H., OR LONGYEAR. ONE LISTED SUBSIDIARY OF POSSIBLE INTEREST IS DEBEERS EUROPEAN HOLDING S.A., INCORPORATED IN LUXEMBOURG. REPORT STATES ANGLO AMERICAN INVESTMENT TRUST LTD. HOLDS 89 MILLION DEFERRED SHARES (OUT OF 375 MILLION DEFERRED AND 800 THOUSAND PREFERENCE SHARES) OF DE BEERS CONSOLIDATED MINES LTD., AND THAT NO OTHER SHAREHOLDERS HOLDS MORE THAN 10 PERCENT. REPORT LISTS DEBEERS INDUSTRIAL

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DIAMOND DIVISION LTD. AS 100 PER CENT OWNED BY DEBEERS CONSOLIDATED MINES LTD., WITH SHARE CAPITAL OF RAND 4,657,000, UP FROM ONE MILLION IN 1973. DE BEERS INDUSTRIAL DIAMOND DIVISION LTD. HOLDS THE GROUP'S PATENTS RELATING TO INDUSTRIAL DIAMONDS AND IS "THE MANAGEMENT COMPANY IMPLEMENTING THE POLICY OF THE INDUSTRIAL DIAMOND DIVISION." DEBEERS INDUSTRIAL DIAMOND DIVISION LTD. ALSO ADMINISTERS THE DEBEERS DIAMOND RESEARCH CENTRE AND SELLS "THE MARKET REQUIREMENTS OF DEBEERS DRILLING AND BOART TO INDUSTRIAL

DISTRIBUTORS (1946) LTD.", IN WHICH DEBEERS CONSOLIDATED MINES
LTD. HAS A MINOR INTEREST.
BOWDLER

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